APR-11-2002 10:00

MATTHEW POWER RUP BOSTON

617 457 6870 P.04/12 LOCKTON

FAX: 617-457-6874

Fax Memo

DATE:

April 12, 2000

TO:

Jeff Meserve

AIG

FROM:

Jennie Wu

Lockton Companies

RE:

Integrated Health Services, Inc.

Excess Policies Policy Period: 01/01/2000 - 2001

Thank you for forwarding the current policies. In our review, we have noted the following revisions are needed:

Policy # BE3574384

- Named insured Address should be 910 Ridgebrook Road, Sparks MD 21152. Please revise.
- Retained Limit endorsement (Endorsement # 2) should be deleted. This endorsement
 references policy addendum entitled "Health Care Medical Professional Liability & General
 Liability" for GL and PL retained limits the addendum however, attaches an expired policy.
 The Retained limits should be as per Schedule of Retained Limits already noted.
 Endorsement # 2 needs to be deleted.
- Non Pyramiding Limits (Endorsement # 4) should be deleted. As per previous correspondence addressing last year's policies, Lester's umbrella policy is an underlying policy to the iHS umbrella policy
- Broad Name Insured (Endorsement # 5) Paragraph referencing Lester exclusion should be deleted. Lester is to be added as an underlying policy
- Follow Form Endorsement (Endorsement # 10) Indicates claims made version. As per previous correspondence addressing last year's policies, endorsement is incorrect - it must be revised.
- Amended Insuring Agreement and Retro Date (Endorsement # 15) should be deleted.
- Extended Reporting (Endorsement # 16) should be deleted
- Endorsement # 17 should be deleted. Again, this is not a claims made policy so any endorsements referencing claims made do not apply.

With regard to additional duties (Endorsement #1 item 4) This provision is not on the expiring policy. Please clarify.

LOCKTON COMPANIES

Insurance and Risk Management Specialists 7910 34th Avenue, #SG / Jackson Heights, NY 11372 Phone: (718) 397-8988 / Fax: (718) 397-8987

NU-U/W 02575

APR-11-2002 10:01

MATTHEW POWER RUP BOSTON

Fax Memo



Policy #: 3574386 (Lester)

Named Insured Address should be 910 Ridgebrook Road, Sparks MD 21152. Please revise.

- Schedule of Retain Limits. Need to add Automobile Liability (Texas and All other states)
 Workers Compensation and Employers liability (Insured states and self insured states.
 Please refer to Retained limit schedule for policy # 3574384 for details
- Retained Limit endorsement (Endorsement # 2) should be deleted.
- Non Pyramiding Limits (Endorsement #4) should be deleted.
- Broad Name Insured (Endorsement # 5) Paragraph referencing Lester exclusion. This is the Lester policy. Lester is to be added as an underlying policy for Policy # 3574384
- Follow Form Endorsement (Endorsement # 10) Indicates claims made version. As per previous correspondence addressing last year's policies, endorsement is incorrect - it must be revised.
- Amended Insuring Agreement and Retro Date (Endorsement # 14) should be deleted.
- Extended Reporting (Endorsement # 15) should be deleted
- Endorsement # 16 should be deleted. Again, this is not a claims made policy so any endorsements referencing claims made do not apply.

With regard to additional duties (Endorsement # 1 Item 4) This provision is not on the expliring policy. Please clarify.

Should you have any questions, please call.

NU-U/W 02576